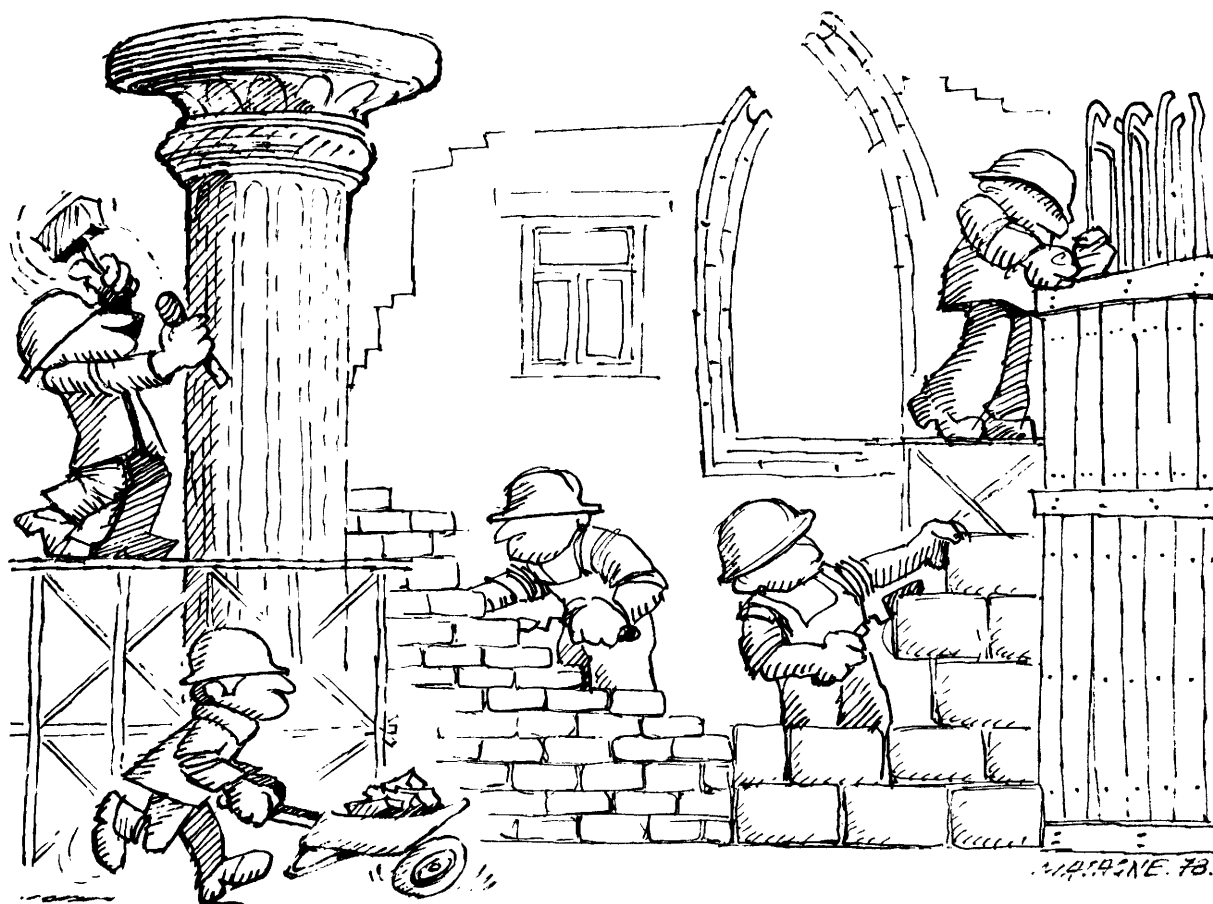


Brussels, 28 November 1978

N° 42/78



A common market for building materials could be a tower of strength rather than a tower of Babel (see page 3).

This bulletin is published by the

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B-1049 - Brussels - Tel. 735 00 40

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++ EUROPEAN BUILDING INDUSTRY

The construction sector is one of the largest industrial sectors in the Community and in 1975 provided jobs for more than 7 million workers. This sector is however suffering from the fact that regulations and standards covering building materials and products vary considerably from country to country.

The Commission's proposals to realise a "common market" for building products are outlined in Annex 1.

++ THE FUTURE OF THE CAR

Europe has a good position on the world car market but is less well placed for industrial vehicles against heavy competition from the USA and Japan.

The challenges faced by the European car industry are discussed in Annex 2.

++ RETAILERS : A VOICE IN EUROPE

The retail and distribution sector was neglected somewhat by the Treaty of Rome and various Community policies. This omission should soon be rectified when the first meeting takes place in Brussels of the Commerce and Distribution Committee which has just been set up by the European Commission.

The role of this Committee is discussed in Annex 3.

++ AT THE EUROPEAN PARLIAMENT

At their November session in Strasbourg, European Parliamentarians touched on a wide range of topics including the steel crisis, the Tripartite Conference political cooperation between the Nine, human rights in the Soviet Union, the environment, nuclear reactors etc.

Highlights of the session are presented in Annex 4.

++ UNEMPLOYMENT UP IN OCTOBER

Unemployment in the whole Community rose slightly in October (+0.9%) compared to the month before. At the end of October the number of jobless totalled over 6 million representing 5.6% of the civil working population compared with 5.5% the previous month.

These figures are averages and conceal wide divergences in national trends which changed as follows:

Luxembourg	: -9.6%	Denmark	: +5.3%
United Kingdom	: -5.8%	France	: +4.6%
Netherlands	: -1.0%	Germany	: +4.3%
Belgium	: -0.4%	Italy	: +2.7%
		Ireland	: +1.5%

++ IMMIGRATION TRENDS

Since the beginning of the economic crisis, Community countries have taken a number of measures to cut back or even stop immigration from non-EEC countries. New entries of non-Community workers into the Nine has varied as follows:

<u>Country of Employment</u>	Difference (in %) between the number of entries:	
	<u>in 1975 compared to 1974</u>	<u>in 1977 compared to 1976</u>
Belgium	- 33%	+ 13%
Denmark	+ 2%	- 3%
Germany	- 53%	+ 23%
France	- 71%	- 17%
Ireland	+ 22%	- 1% (1)
Italy	- 21%	/
Luxembourg	- 43%	- 3% (1)
Netherlands	+ 39% (2)	- 58% (1)
United Kingdom	- 9%	- 8% (1)

(1) 1977 figures only cover the first six months for these four countries.

(2) The apparent increase in 1975 is probably due to measures controlling "clandestine" workers.

The reduction in jobless in certain countries is partly explained by the effectiveness of unemployment policies

No change was recorded in the number of men out of work but the female share of unemployment rose from 6.7% in

September to 6.9% the following month. In most countries where unemployment deteriorated, it is women who have suffered most whilst in countries where an improvement has been recorded, men appear to be leaving the dole queues faster than women. The only exception to the rule was the United Kingdom where female unemployment dropped sharply by -7.7%.

++ RADIATION PROTECTION

To incorporate the latest scientific findings, the European Commission has proposed to the Council an updating of the health protection norms for workers against the dangers of irradiation from ionising radiation. These norms are in fact set by the Community for all nine countries.

In June 1977 the International Commission for Radiological Protection - a scientific body of world renown - published recommendations which took into account the latest data on the metabolism and, for the first time, on the effects of irradiation on organs or tissues.

Legislation in Community countries now needs to be modified in the light of the latest scientific knowledge and the European Commission has proposed that the basic norms be revised once more (the last revision was in 1976).

++ HORSE RIDERS AND HORSE CONSUMERS

Whilst horse meat may be freely traded within Community frontiers, the Common Market has not managed to change national attitudes to this type of food. The British and Irish - traditionally great horse lovers - are not keen on eating one of the noblest species of animal.

The French by contrast have always liked horse meat and consumption is, in fact, on the increase leaving them open to frequent accusation of "cannibalism" by their friends on the other side of the channel.

Horse meat consumption in 1976 was as follows (in thousand tonnes):

Ireland	:	0	Netherlands	:	37
United Kingdom	:	0	Belgium + Luxembourg	:	41
Denmark	:	2	Italy	:	67
Germany	:	5	France	:	96

(° 1977 figures)

++ ASBESTOS DANGERS

The European Commission has undertaken an objective evaluation of the risks of asbestos to human health. The results, which have just been published in a technical report, show that there is still relatively little data available on the levels of asbestos measurable in the environment.

Supplementary information is currently being researched on the dose-effect relationship and on population exposure levels.

Based on research work in progress, the Commission intends to publish in the near future a simplified analysis on the advantages and disadvantages of asbestos. This analysis is specified in the asbestos programme which the Commission intends to transmit to the Council of Ministers.

++ THERMO-NUCLEAR FUSION : 1979-83 PROGRAMME

For many years now the Community has been conducting research in the field of controlled thermo-nuclear fusion and the 1979-83 programme has just been submitted by the European Commission to the European Parliament and the Council of Ministers.

The essential element of the 1979-83 programme is the JET project to build a machine capable of magnetically confining a thermonuclear reaction within a 3 meter-radius doughnut-shaped tube. The Council of Ministers decided finally in May 1978 that the machine is to be built in the UK at Culham, near Oxford, with the participation of all Community countries plus Sweden and (shortly) Switzerland. Already 70% of the contracts have been placed with industry for the fabrication of the elements of the machine.

In February next year the first stone will be laid for the Culham building. The construction and fitting of the JET machine itself will begin in 1981 and should be finished at the beginning of 1983 when tests can begin.

Apart from JET, important research work into fusion is being conducted by national organisations associated with the Community and the fusion programme covers all types of work dealing with fusion in the Nine, Sweden and (shortly) Switzerland.

The cost of the 1979-83 programme proposed by the Commission for building the JET will be around 184.6 million European units of account (1 EUA = \pm 1.3 dollars) of which the Comm-

-unity has an 80% stake. For the rest of the programme (without the JET) the cost is estimated at 736 million EUA over the next five years.

++ ENERGY STORAGE RESEARCH

The European Commission has just published, under the title "Research and development in respect of energy storage", a report drawn up by the French Commissariat for Atomic Energy (CEA) which evaluates the programmes currently being undertaken in the European Community. The report has assembled details on the different techniques and research approaches being employed and reviews the energy situation and storage research programmes in each country. The publication is available (in English or French only) from Community bookshops (listed on last page of Euroforum) priced £6 (Ref : EUR 5929).

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EUROPEAN BUILDING INDUSTRY

The construction industry is one of the largest industrial sectors in the European Community and in 1975 provided jobs for over 7 million - 18.5% of wage earners in manufacturing industries. A large amount of the materials and products manufactured by Europe's construction industry are used in Europe itself : 100% of bricks, tiles, cement, ceramic tiles; 70% of the plate-glass and 60% of the wood; 30% of steel; 25% of plastics; 15% of copper products and 10% aluminium; etc. In Community countries, construction and civil engineering accounts for 15% of gross national product and close to 60% of gross fixed capital formation.

Though the sector is highly regulated and standardised at the national level, buildings and civil engineering projects are subject to laws, regulations and administrative procedures which vary from country to country and even from region to region. All these rules and regulations, however have one identical objective : to protect health and safety and impose minimum standards covering the social aspects of construction, comfort, environment and energy savings.

Differing safety tests

Though the objectives may be identical, the means of achieving them have been very much determined by national characteristics and national traditions. There are consequently considerable differences between countries on the provisions adopted, on methods for testing, calculating or classification, marketing and control procedures etc. In some countries, for example, the fire resistance of materials is tested to 250°C and others to 300°C. In some cases safety standards apply to all buildings, in others only to public buildings and in certain countries only to hotels.

Faced with this hotchpotch of standards, the European Commission has proposed to harmonise the various regulations currently in force in the European Community, and introduce a "common market" for products and materials used in the construction industry. The effect of this would be to:

- open up domestic markets by removing technical barriers which currently restrict trade in such products;
- to limit, or decrease, the costs (sometimes considerable) incurred by companies in submitting their products for national controls;
- to facilitate the free movement of goods, which is often hampered by national formalities;

- to remove the current barriers to technical innovation which is an essential element in reducing production costs.

Savings for consumer and producer

A common market for construction materials could produce savings which would benefit both consumers and producers. It would also enable small and medium sized companies to export more easily to other Community countries as Community countries can be expected to open their doors more widely to products bearing a common European label.

In addition to the proposed directive, the European Commission has drawn up for the Council a resolution on the list of products for priority treatment. This list has been strictly limited to products which face major obstacles in trade and for which profitability depends on having access to markets on the European scale.

Amongst the thirty or so products on this list are items such as concrete wall sections. Though such products are of course extremely heavy and involve high and sometimes prohibitive transport costs when exported, the existence of different norms is a real obstacle to export since it has been shown that even in frontier regions little cross-border trade is found. Wooden doors are also to be given priority. In France, for example, such doors have to conform to French standards and imported doors have to undergo approval procedures. If the Commission's proposal is adopted this obstacle will be removed and Danish, German or British door manufacturers will have easier access to the French market. These are just a few of the technical barriers to Community trade which the proposed directive will try to eliminate.

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THE FUTURE OF THE CAR

Traffic is heavy on Europe's roads and the current 80 million cars mobile in the European Community is expected to rise closer to 100 million by the end of the century. It is consequently not surprising that the automobile industry occupies a major position in the European economy, providing over 5 million jobs, accounting for 9.5% of intra-Community trade and 10% of the Community's foreign trade.

Each year some 10 million cars leave the Nine's assembly lines. This is over 31% of world production of private cars (in volume). Though Europe holds a leading place in the car market, it is less well placed when it comes to industrial vehicles (HGV, buses etc.) and current production only amounts to 14% of world output whilst Japan has a 30% share and the USA 35%.

Cause for concern

The challenge from the USA is not only aimed at the industrial vehicles market. By 1985, US industry aims to invest more than 70 billion dollars solely in the production of 'compact' cars, which will be competing directly with European manufacturers.

Japanese competition is much more immediate however. In 1977, for every European car sold in Japan, the Japanese sold 24 in Europe. Japanese production in industrial vehicles is double that of Europe.

According to Viscount Etienne Davignon, European Commissioner in charge of industrial affairs, the problem can not be resolved by closing our frontiers or restricting imports. On the contrary, we need to try and become more competitive and increase our share of foreign markets.

Saturation of traditional markets

The world's automobile industry may soon be heading for difficulties due to the saturation of the three largest markets : North America, Japan and W. Europe. European manufacturers need to increase their presence in other markets and here competitiveness is not enough. Europe also has to play a larger role not only on the production side but also regarding services and cooperation.

It is essential, Mr. Davignon concludes, that European industry is not relegated to subcontractor status, and subject

to a strategy developed outside of Europe. The car industry needs to double its outlay on research and development from the current 2-3% of turnover. The Community's interest extends beyond the need for energy saving and environmental protection.

Automobile industry statistics in the Nine are as follows:

Private vehicles (including station wagons):

	<u>Production</u>	<u>Exports</u>	<u>Imports</u>
	(in 1000 tonnes)		
Germany	3 790	1 940	550
France	3 100	1 620	450
Italy	1 440	+ 700	450
U.K.	1 300	- 500	600
Belgium	980 (assembly)		
Netherlands	70		

For industrial vehicles (including buses):

Production (in 1000 tonnes):

Germany	313
France	415
Italy	143
U.K.	386
Netherlands	13
Belgium and Luxembourg	55
Community	1 325

Industrial vehicle production in other countries is as follows:

USA	3 430	thousand tonnes
Japan	3 035	" "
COMECON	1 031	" "

A VOICE IN EUROPE

The retail and distribution sector extends from small boutiques to major chains and accounts for around 13% of the Community's total production of goods and services. Its contribution to gross domestic product is less than the industrial sector but is nevertheless greater than agriculture.

In other words, retail and distribution is a major sector though, it must be admitted, was somewhat neglected in the Treaty of Rome and in consequence in various policies implemented by the Community.

All this should change on December 1st when the first meeting will take place in Brussels of the "Commerce and Distribution Committee" which has just been set up under the auspices of the European Commission. The Committee will represent both the giant trading companies and the small independents who operate in the European Community. Food shops, garages, clothes boutiques, wholesalers and a number of other sectors which affect the everyday life of Community citizens will also be represented. This "panel" will operate for a trial three-year period.

It should enable retailers and distributors in the Community to receive regular information on those Community activities likely to affect them, and covering the Community's external trade, the Community's industrial policy, consumer protection, company law, etc.

It will also enable the Community to benefit from the views of both the giant and the small retailers when drafting initiatives, and will help to form a collective voice for this sector. The creation of this forum will facilitate, it is hoped, valuable exchanges of views between Community authorities and European retailers.

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AT THE EUROPEAN PARLIAMENT

A wide range of subjects was covered by European Parliamentarians at their November session in Strasbourg though the chief talking points were the steel industry problems, the results of the Tripartite Conference and political cooperation amongst the Nine.

Steel

The steel crisis is worldwide and affects the USA and Japan as well as Europe, stated Viscount Etienne Davignon, European Commissioner responsible for industry. Community action is needed to prevent a return to protectionism and recourse to uncoordinated and ineffective national actions. A reorganisation of the steel industry is needed, a reduction of surplus capacity (approximately 40 million tonnes per year) and an increase in productivity (overall, the Community steel industry loses an average of BF 1 000 (£16) per tonne of steel produced). Reorganisation should be coordinated at the Community level and be accompanied by social readaptation measures.

In the debate following Mr. Davignon's speech, Mr. Pisani (French, Socialist) set the tone of proceedings by asking the Commission whether it had the resources available. Other speakers stressed the necessity of coordinating the Community's financial interventions, particularly the European Social Fund and Regional Funds. Mr. Porcu (French, Communist) took the view that there was not "too much steel" and Mr. Davignon replied that there was "much too much".

Tripartite Conference

A long debate followed the speech of Mr. Henk Vredeling, Vice-President of the European Commission, who expressed his "mixed feelings" over the results of the Tripartite Conference. Parliamentarians expressed their own disenchantment and Dutch Parliamentarian, Mr. Van der Gun, presented a resolution from the Christian Democratic Group which "utterly deplored the setback in negotiations with the social partners" and which stressed that "negotiations between unions and employers should be intensified so as to bring about an appropriate sharing of available work, which is one of the essential elements for introducing a veritable employment policy".

Mr. Albers (Dutch, Socialist) went even further and stated that if no spontaneous agreement emerges from the meetings between employers and workers, the Nine Community States should take action and break off discussions.

Political cooperation

The current President of the Council of Ministers, the West German Minister for Foreign Affairs, Mr. Genscher, presented a report on the development of political cooperation amongst Community countries.

In the ensuing debate Mr. Bertrand (Belgian, Christian Democrat) deplored the absence of coherence and cohesion and above all clarity in the Nine's policy towards Africa. "Do you really have an African policy"? he asked before lampooning the Nine for their passive attitude towards the Middle East. Other Parliamentarians regretted that the President of the Council had not discussed the Iranian crisis and its possible repercussions on Europe.

Mr. Sandri, (Italian Communist) moved on to the problems of southern Africa which, he said, the Community was not really tackling and was not matching words with action. It was leaving a vacuum which was likely to be filled by others. Today, rather than speaking with one voice, Europe was notable for its unanimous silence. In conclusion, the speaker argued for a Europe which responds to the hopes of the third world by contributing, by its own action, to democratising international relations.

With the exception of Mr. Bordu (French, Communist) speakers were unanimous in demanding a strengthening of political cooperation between the Nine and as close a coordination as possible of this cooperation with Community activities.

Jews in the Soviet Union

Mr. Berkhouwer (Dutch, Liberal) and Mr. Jahn (German, Christian Democrat) and Mrs. Dunwoody (British, Socialist) denounced the constant attacks on human rights and fundamental liberties suffered by the Jewish community in the Soviet Union. They have made pressing appeals to the Council of the Nine and the European Commission to mobilise all forces to persuade the Soviet authorities to free the men and women convicted for having exercised the rights recognised by the Helsinki Convention.

At the end of this debate, European Commissioner Dr. Guido Brunner remarked that the Commission has no powers in this field. In the field of human rights, he stressed, a just balance has to be found between public declarations and discreet and confidential interventions which it is possible to make.

Environment

Mr. Müller (German, Socialist) asked the Council how many draft directives on the environment were still awaiting judgement by the Council. The President of the Council replied that there are currently ten directives proposed by the European Commission which the Council has yet to pass judgement on (four dealing with water, three with air pollution, one on aquatic nuisances, one on the protection of fauna, and finally a recommendation on the cost of anti-pollution measures in industry).

On the other hand the Parliament approved a Commission proposal to considerably extend the second environment research programme, 1976-1980.

Nuclear reactors

The Parliamentarians adopted a report by Mr. Veronesi (Italian, Communist) approving a research programme on thermal water reactor safety proposed by the European Commission. Mr. Brown (British, Socialist) expressed his concern for the fact that the research programme had not been proposed sooner, given the considerable growth of this type of nuclear reactor over the last ten years. Mr. Fuchs and Mr. Flämig (German, Socialist) affirmed that informing the public was at least as important as research in dealing with the "hostility towards technology" and "cutting the grass from under the feet of charlatans".

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